



Accounting for Highway Projects

County Commissioners Conference

2018

FUNDING



- County Highway Funds
- Debt
- Federal Grants
- State Grants

AUDIT EXPECTATIONS



Compliance with Grant Agreements

Compliance with State Law

Compliance with local policies

Compliance with Bond Covenants

FEDERAL COMPLIANCE



- Presentation on Website
 - www.in.gov/sboa => Counties
 - Spring County Auditor's Conference
 - Purchasing with Federal Grant Funds

Procurement Standards 200.318(a-b)



- Must use its own documented procurement procedures which reflect applicable state and local laws and regulations.

Procurement Standards 200.318 (c)



- Must maintain written standards of conduct covering conflicts of interest and governing
 - the actions of its employees engaged in the selection, award and administration of contracts.

- No employee, officer or agent may participate in the selection, award, or administration of a
 - contract if there is a conflict of interest.

- No employee, officer or agent may neither solicit nor accept gratuities, favors or anything of
 - monetary value from contractors or parties to subcontractors. Standards may be set.

State Requirements



- Public Purchases – IC 5-22
- Does not apply to public works project
 - There are exceptions

IC 5-22-3-3 allows a county to adopt rules to regulate purchases to supplement but may not be inconsistent with IC 5-22

PUBLIC WORKS LAW
IC 36-1-12



- IC 36-1-12-2:
 - “As used in this chapter, "public work" means the construction, reconstruction, alteration, or renovation of a public building, airport facility, or other structure that is paid for out of a public fund or out of a special assessment. **The term includes the construction, alteration, or repair of a highway, street, alley, bridge, sewer, drain, or other improvement that is paid for out of a public fund or out of a special assessment.** The term also includes any public work leased by a political subdivision under a lease containing an option to purchase.”

PUBLIC WORKS LAW
IC 36-1-12



- Exceptions to IC 36-1-12
 - IC 36-1-12-3 – Using your own workforce
 - Use IC 5-22 for purchase of supplies
 - IC 36-1-12-49 – Routine repairs and maintenance costing less than \$150,000
 - May use IC 5-22

PUBLIC WORKS PROJECTS



- Small Projects < \$50,000
- \$50,000 < Project cost > \$150,000
- Project Cost > \$150,000

PROJECTS LESS THAN \$50,000



- IC 36-1-12-5
 - Can bid the project
 - Can invite quotes
 - If all quotes rejected can negotiate
 - Special consideration for resurfacing projects

PROJECTS BETWEEN \$50,000 & \$150,000



- Board must invite quotes from at least 3 persons known to deal in the class of work proposed.
 - **Must mail a notice of plans and specifications at least 7 days before receiving quotes.**
- Meeting to receive quotes must be open to the public and read aloud.
 - **Cannot require quotes to be submitted before meeting.**
- Must award to lower responsible and responsive bidder.
 - **May reject all quotes if documented reasons for rejecting.**

PROJECTS > \$150,000



- Board must prepare general plans and specifications.
 - Must avoid specifications that may limit competition.
 - Plans must be filed in a public location.
- Public notice of sealed bids.
 - Must state time and place.
 - If < \$25,000,000 notice must be at least 6 weeks before opening.
 - If > \$25,000,000 notice must be at least 10 weeks before opening.
- Items required from submitters:
 - Financial Statements, statement of experience, proposed plan, equipment available for use.
 - Affidavit that bidder has not agreed to prevent/set/induce bid